

5 June 2006

SP AusNet 2006 Full Year Results Presentation

TO: Company Announcements Office
Australian Stock Exchange

BY: e-Lodgement

Dear Sir/Madam,

Please find attached SP AusNet 2006 Full Year Results Presentation.

Yours sincerely,

Elizabeth Mildwater
Company Secretary
SP AusNet

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SP AusNet

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SP Australia Networks (Transmission) Ltd
ABN 48 116 124 362

SP Australia Networks (Finance) Trust
ARSN 116 783 914

SP Australia Networks (RE) Ltd
ABN 46 109 977 371

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About SP AusNet:

SP AusNet is a major energy network business that owns and operates key regulated electricity transmission and electricity and gas distribution assets located in Victoria, Australia. These assets involve:

- A 6,574-kilometre electricity transmission network indirectly servicing over 2.2 million electricity consumers across Victoria;
- An electricity distribution network delivering electricity to approximately 575,000 customer supply points in an area of more than 80,000 square kilometres of eastern Victoria; and
- A gas distribution network delivering gas to approximately 504,000 customer supply points in an area of more than 60,000 square kilometres in central and western Victoria.

SP AusNet was publicly listed on the Australian and Singapore Stock Exchanges (ASX Code: SPN and SGX-ST Code: SP AUSNET) on 14 December 2005. Singapore Power International Pte Ltd, a wholly-owned subsidiary of Singapore Power Limited, owns a 51% interest in SP AusNet. Singapore Power Limited is wholly owned by Temasek Holdings (Private) Limited, an investment company headquartered in Singapore with a diversified global investment portfolio of approximately US\$63 billion as at 31 March 2005.

For more information visit: www.sp-ausnet.com.au

SP AusNet 2006 Full Year Results Presentation

Year ended 31 March 2006



5 June 2006

Disclaimer



The SP AusNet Group (SP AusNet) comprises SP Australia Networks (Transmission) Ltd (SP AusNet Transmission), SP Australia Networks (Distribution) Ltd (SP AusNet Distribution) (together, the Companies) and their subsidiaries (as defined by the Corporations Act 2001 (Cth) (Corporations Act), SP Australia Networks (Finance) Trust (SP AusNet Finance Trust) and the responsible entity for the Trust, SP Australia Networks (RE) Ltd (Responsible Entity), which is the holder of the Australian Financial Services Licence No. 294117. Shares in each of the Companies are stapled to units in the Trust. The stapled entity is primarily listed on the Australian Stock Exchange (ASX) and has a secondary listing on the Singapore Exchange Securities Trading Limited (SGX-ST).

The information in this presentation is not and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in SP AusNet. Information in this presentation, or anything contained in it, will not form the basis of any contract or commitment. This presentation has been prepared by SP AusNet on the information available. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions in this presentation.

This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Therefore, before acting on any advice contained in this presentation, a person should consider the appropriateness of the advice having regard to the person's objectives, financial situation or needs. Any decision to purchase or subscribe for stapled securities in SP AusNet should take in to account the information contained in 2006 Full Year Results announcements, including the Appendix 4E, and the SP AusNet Prospectus and Product Disclosure Statement (PDS), dated 14 November 2005, for Australia. A copy of the PDS and other information is located in the "Investor Centre" on SP AusNet's website: www.sp-ausnet.com.au. Investors should seek their own independent professional advice.

DBS Bank Ltd, Morgan Stanley Dean Witter Asia (Singapore) Pte and UBS AG, acting through its business group, UBS Investment Bank were the "Joint Lead Managers and Underwriters in relation to the Singapore Offering" for the initial public offering of stapled securities in SP AusNet, each consisting of a share in each of SP Australia Networks (Transmission) Ltd and SP Australia Networks (Distribution) Ltd and a unit in SP Australia Networks (Finance) Trust.

Overview of Results

Financial Performance

Operational Performance

Strategy and Outlook

Notes: All references to '\$' are Australian dollars unless otherwise stated.
All references to security price refer to closing price of A\$1.245 on 31 May 2006.
All references to 'Prospectus' refer to the November 2005 Prospectus and Product Disclosure Statement.

Overview of Results

Nino Ficca, Managing Director

Overview of Results



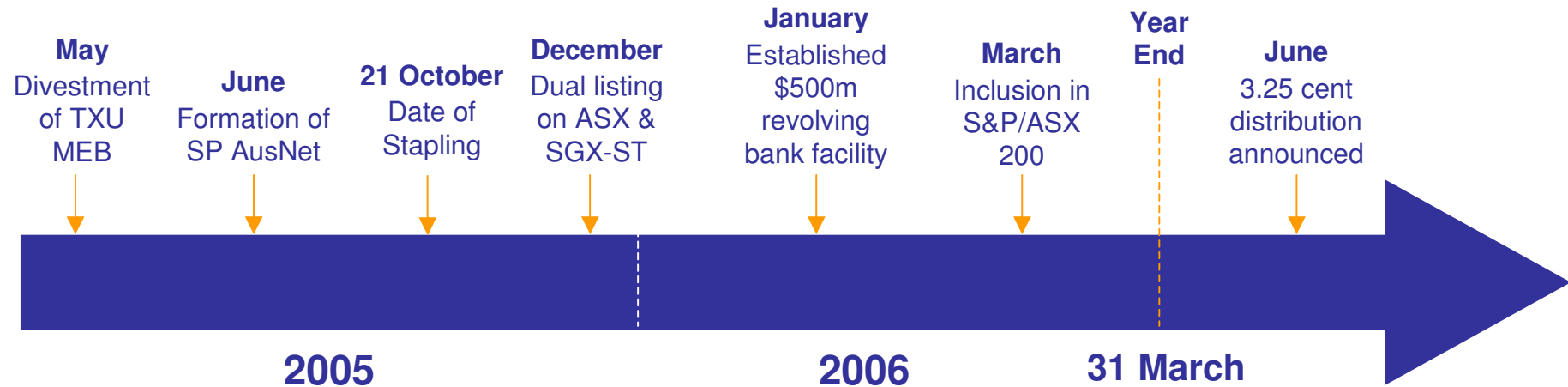
- For the 12 months ended 31 March 2006⁽¹⁾:
 - EBIT from continuing operations was \$363.7m
 - Net Profit after Tax from continuing operations was \$175.7m
 - Net Profit after Tax (including discontinued operations) was \$335.2m
- Pro forma EBIT of \$446.1m exceeded pro forma Prospectus 2006 EBIT by 3.8%
- Distribution payment of 3.25 cents per security which equates to an annualised yield of 8.82%⁽²⁾

(1) Earnings represent the consolidated results of SP AusNet Distribution for the year ending 31 March 2006 and of SP AusNet Transmission and SP AusNet Finance Trust for the 5 months from date of stapling (21 Oct 2005) to 31 March 2006.

(2) Based on a price of A\$1.245 per security

Delivered effective distributions consistent with prospectus

Overview of Results – Corporate Highlights



Management team experienced at acquiring and transforming energy network businesses

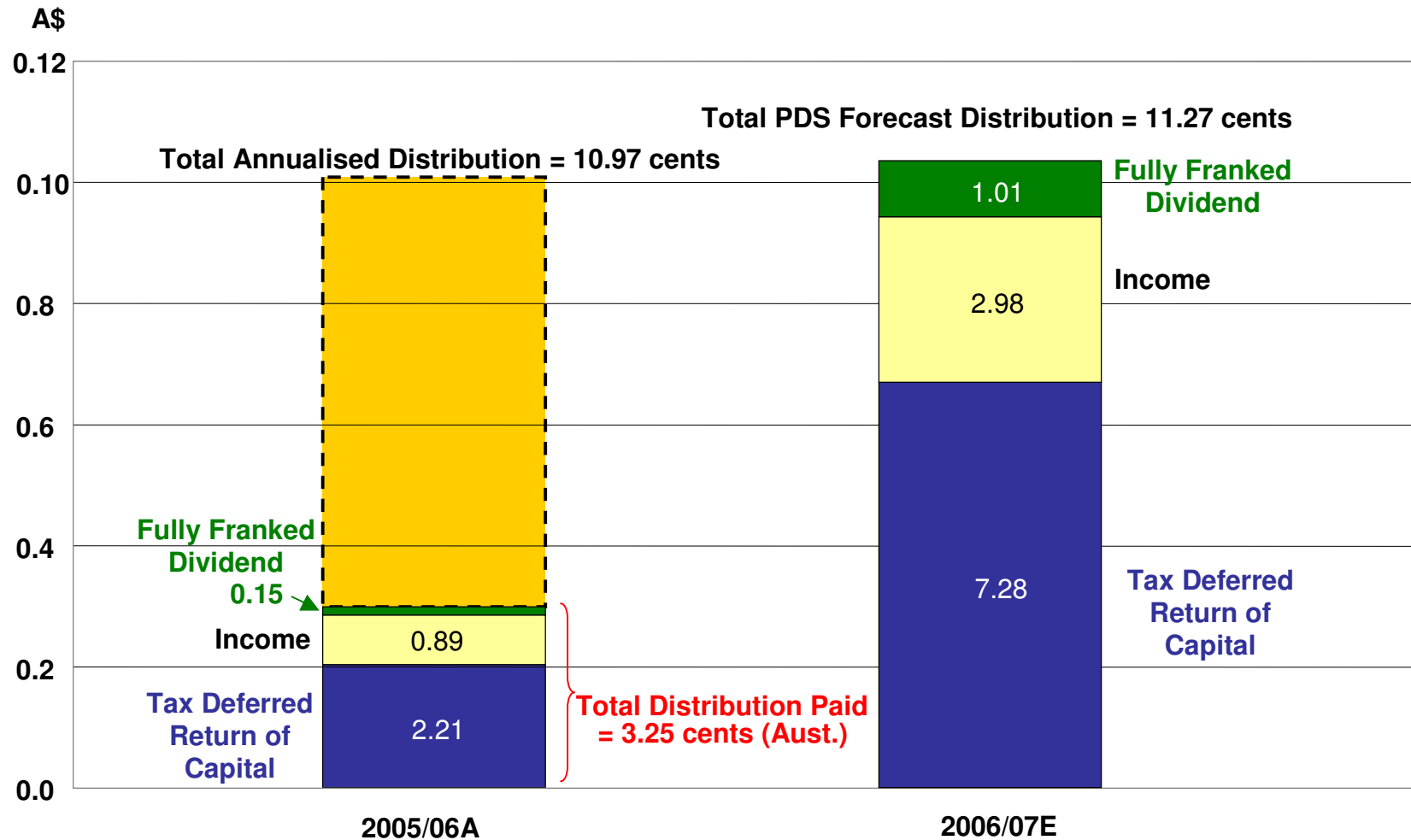
Overview of Results – Operational Highlights



- Awarded two major transmission network augmentation contracts
- Achieved a satisfactory outcome in the final Electricity Distribution Price Review (EDPR) and importantly provided essential funding for our work programs
- Continued high growth in Regulated Asset Base (RAB)
- Improved network reliability and performance
- Maintained a high standard of health, safety and environmental management
- Achieved operational cost efficiencies through integrating the two network businesses

Continuing improvement to both the cost and revenue bases

Delivering Distributions



2005-06 annualised distribution yield is 8.82%⁽¹⁾, 2006-07 forecast is 9.05%⁽¹⁾

(1) Based on a price of A\$1.245 per security

Financial Performance

Terry Fowler, General Manager Finance

The results of the SP AusNet Stapled Group for the year ended 31 March 2006 comprise:

- Results of SP AusNet Distribution, as the parent entity, for the year ending 31 March 2006; and
- Results of SP AusNet Transmission and SP AusNet Finance Trust for the 5-month period from date of stapling (21 Oct 2005) to 31 March 2006.

SP AusNet Stapled Group Income Statement

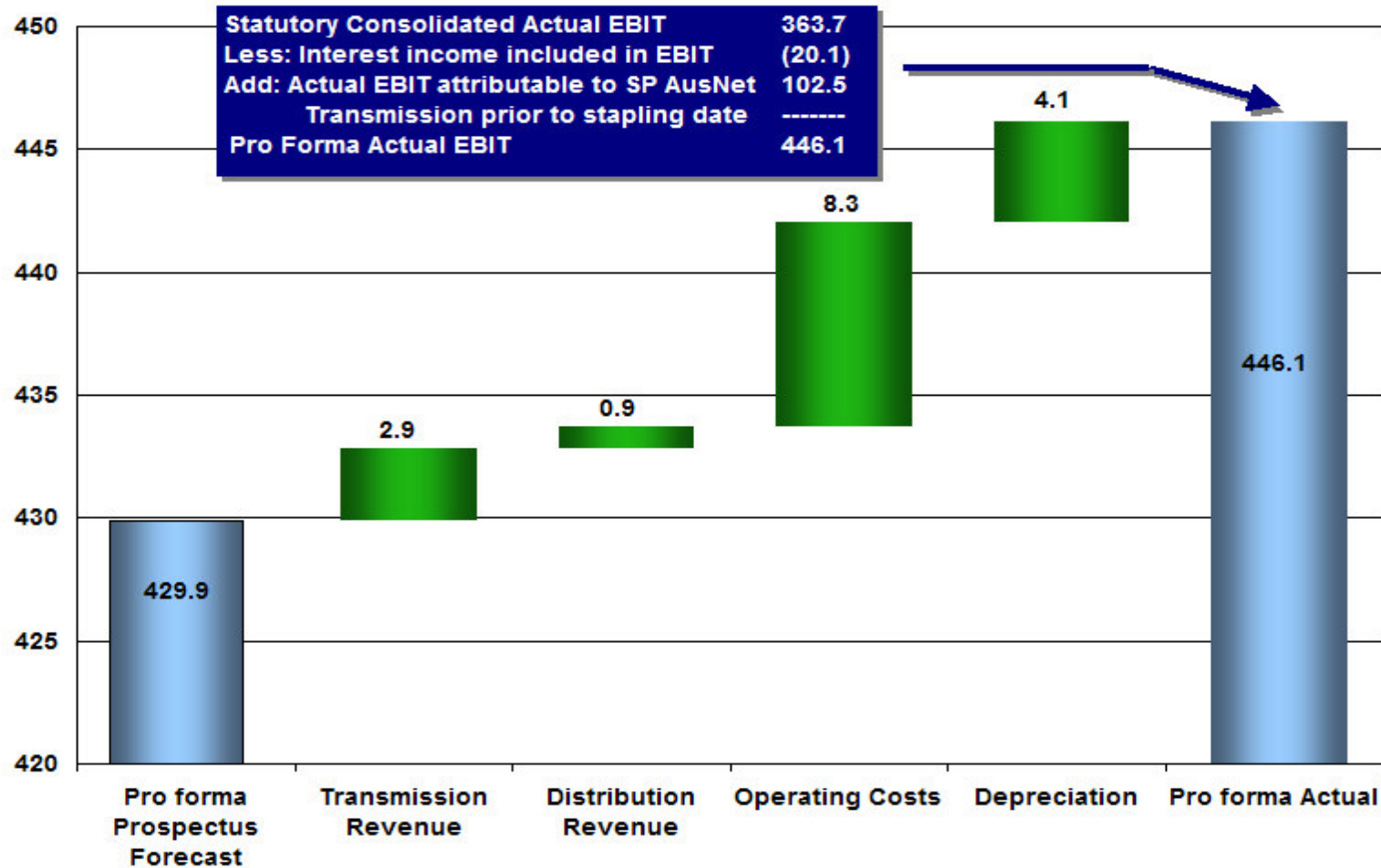


For the year ended 31 March (A\$m):	2006A
Revenue from continuing operations	757.5
Total operating expenses	(245.2)
EBITDA	512.3
Depreciation	(148.6)
EBIT ⁽¹⁾	363.7
Finance costs	(186.2)
PROFIT BEFORE TAX	177.5
Income tax expense	(1.8)
PROFIT FROM CONTINUING OPERATIONS	175.7
Profit from discontinued operations	159.5
PROFIT AFTER TAX	335.2
Profit attributable to minority interest	39.9
Profit attributable to members of the company	295.3
Earnings per share (cents) from profit from continuing operations	6.49

Transmission results only included from the date of stapling (21 Oct 05)

(1) EBIT includes interest income of \$20.1m

2005-06 EBIT from Continuing Operations Comparison (Actual versus Prospectus)



SP AusNet exceeded the Pro forma Prospectus EBIT forecast by 3.8%

SP AusNet Stapled Group Cash Flow



For the year ended 31 March (A\$m):	2006A	2007E ⁽¹⁾
NET CASH INFLOW FROM OPERATING ACTIVITIES	177.9	388.6
Payments for property, plant and equipment	(295.4)	(363.6)
Proceeds from sale of assets	2,046.1	-
NET CASH INFLOW FROM INVESTING ACTIVITIES	1,750.7	(363.6)
Repayment of borrowings	(2,051.3)	
Proceeds of borrowings	84.6	161.0
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(1,966.7)	161.0
Distribution payments to security holders		(186.0)
Net decrease in cash held	(38.0)	-

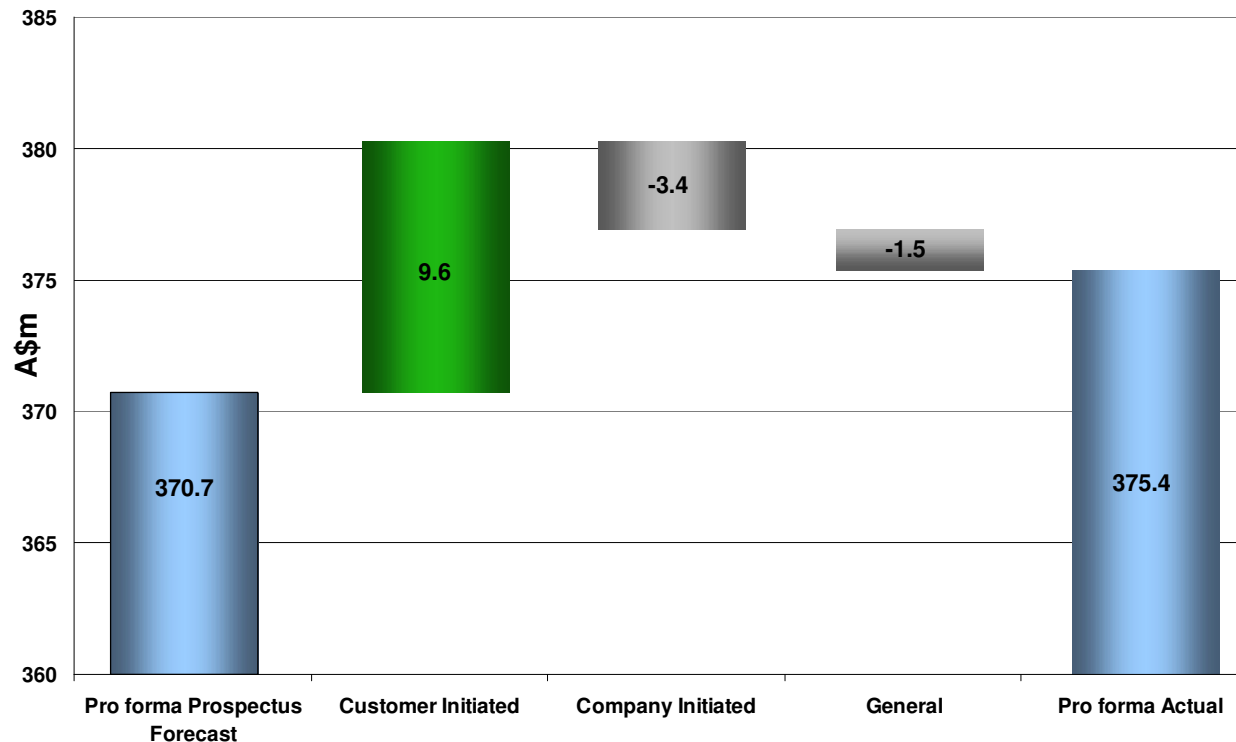
Stable predictable cash flows remain a key feature of SP AusNet

⁽¹⁾ Represents Prospectus forecasts

Pro forma Capital Expenditure



For the year ended 31 March (A\$m):	2006A ⁽¹⁾	2006E ⁽²⁾	2007E ⁽²⁾
Transmission Capital Expenditure	130.9	136.7	131.3
Distribution Capital Expenditure	244.5	234.0	232.3
TOTAL CAPEX	375.4	370.7	363.6



The key driver of future revenue – capex – has exceeded forecasts

⁽¹⁾ Incorporates 12 months of Transmission & Distribution capital investment.

⁽²⁾ Represents Prospectus forecasts

SP AusNet Stapled Group Balance Sheet



As at 31 March (A\$m):	2006A
Assets	6,947
Current	342
Non-current	6,605
Liabilities	4,365
Current	981
Non-current	3,384
Net Assets	2,582
Equity	2,582
Equity holders of SP AusNet Distribution	444
Minority interest ⁽¹⁾	2,138

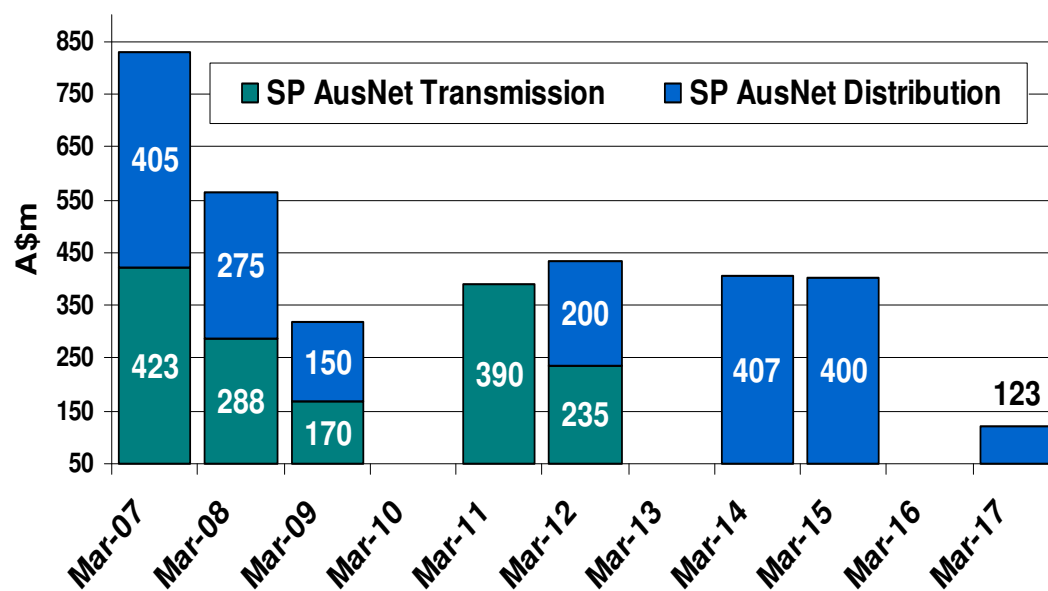
Strong financial position with gearing at 58%

⁽¹⁾ Minority interest represents equity holders of SP AusNet Transmission & SP AusNet Finance Trust

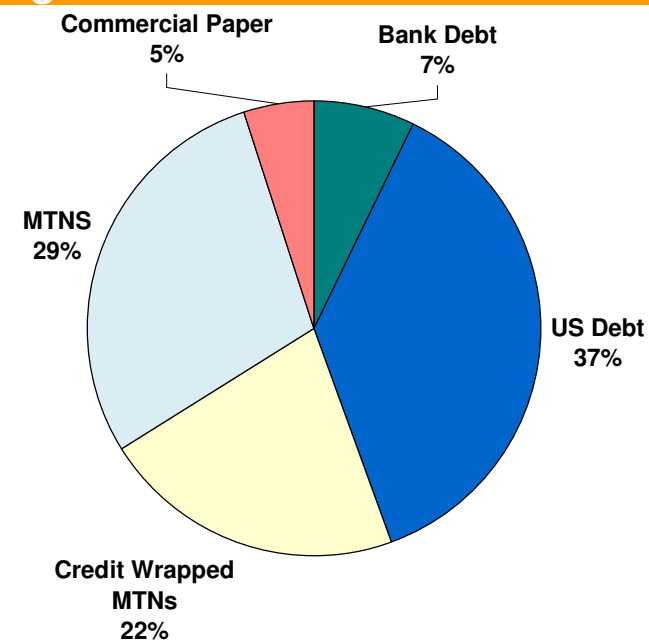
Diversified Debt Maturity Profile



Debt maturity profile as at 31 March 2006



Financing sources as at 31 March 2006



Total Face Value of Debt: A\$3,466m

- Put in place a \$500m revolving bank facility consisting of two \$250m tranches
- Approximately 95% of debt is hedged; swaps align to regulatory reset periods

SP AusNet's cash flows are largely protected against rising interest rates

Management Fees to SPI Management Services

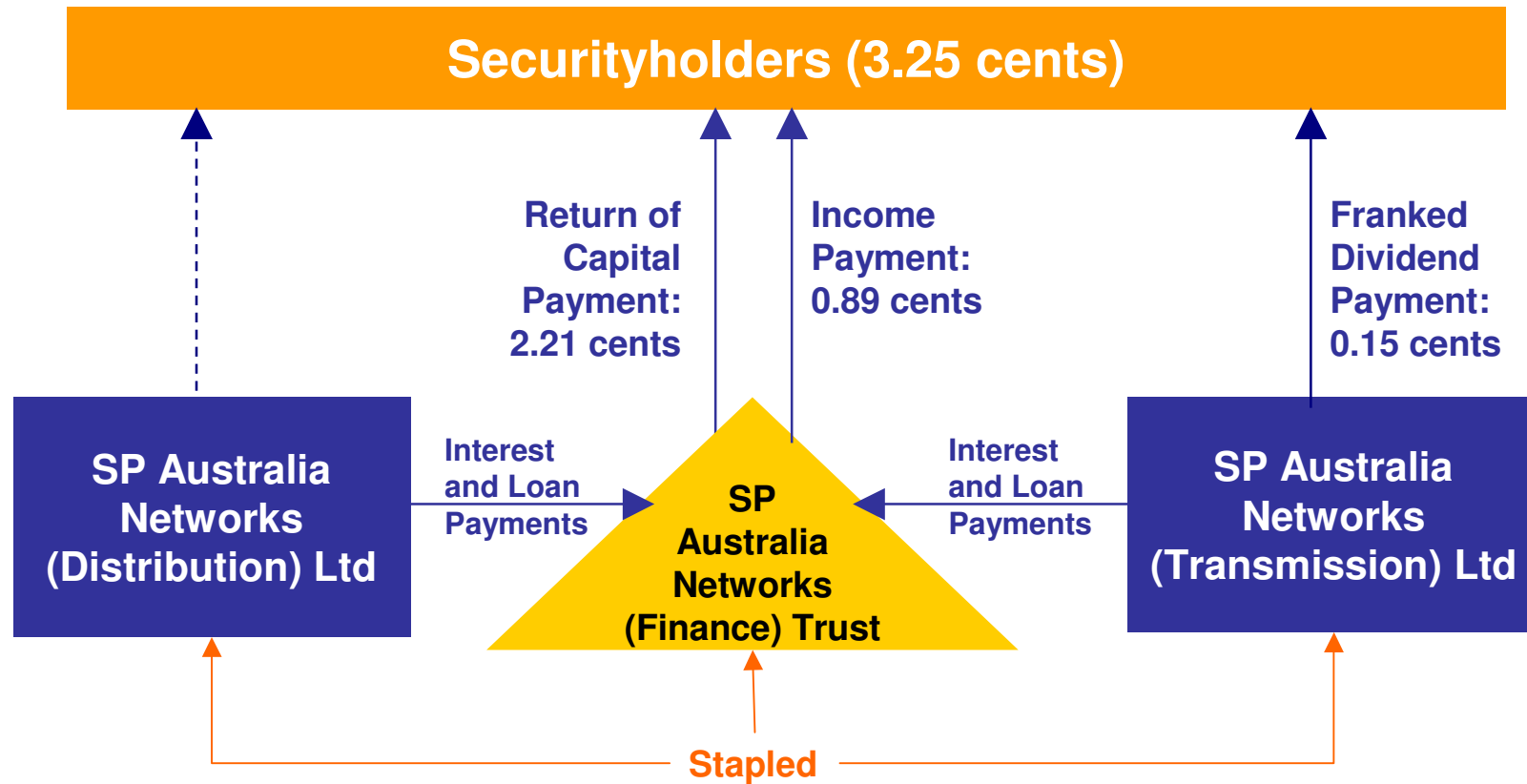


For the year ended 31 March (A\$m)	2006A	2006E
Interim-Management Fee	2.5	-
Management Services Charge	6.3	10.1
Total Reimbursive-type Fees	8.8	10.1
Performance Fees	3.0	3.5
Total Management Fees	11.8	13.6

- Reimbursive-type fees make-up 75% of total fees
- Performance fees make-up 25% of total fees
- Timing of staff transfers & lower price of security have reduced fees
- Other Payments to the Singapore Power Group total approx. A\$1.2m

Management fees payable to SPI Management Services are well within forecast

Source of Funds and Composition of the Distribution Payment to Securityholders



Stapled structure facilitates cash distributions to investors

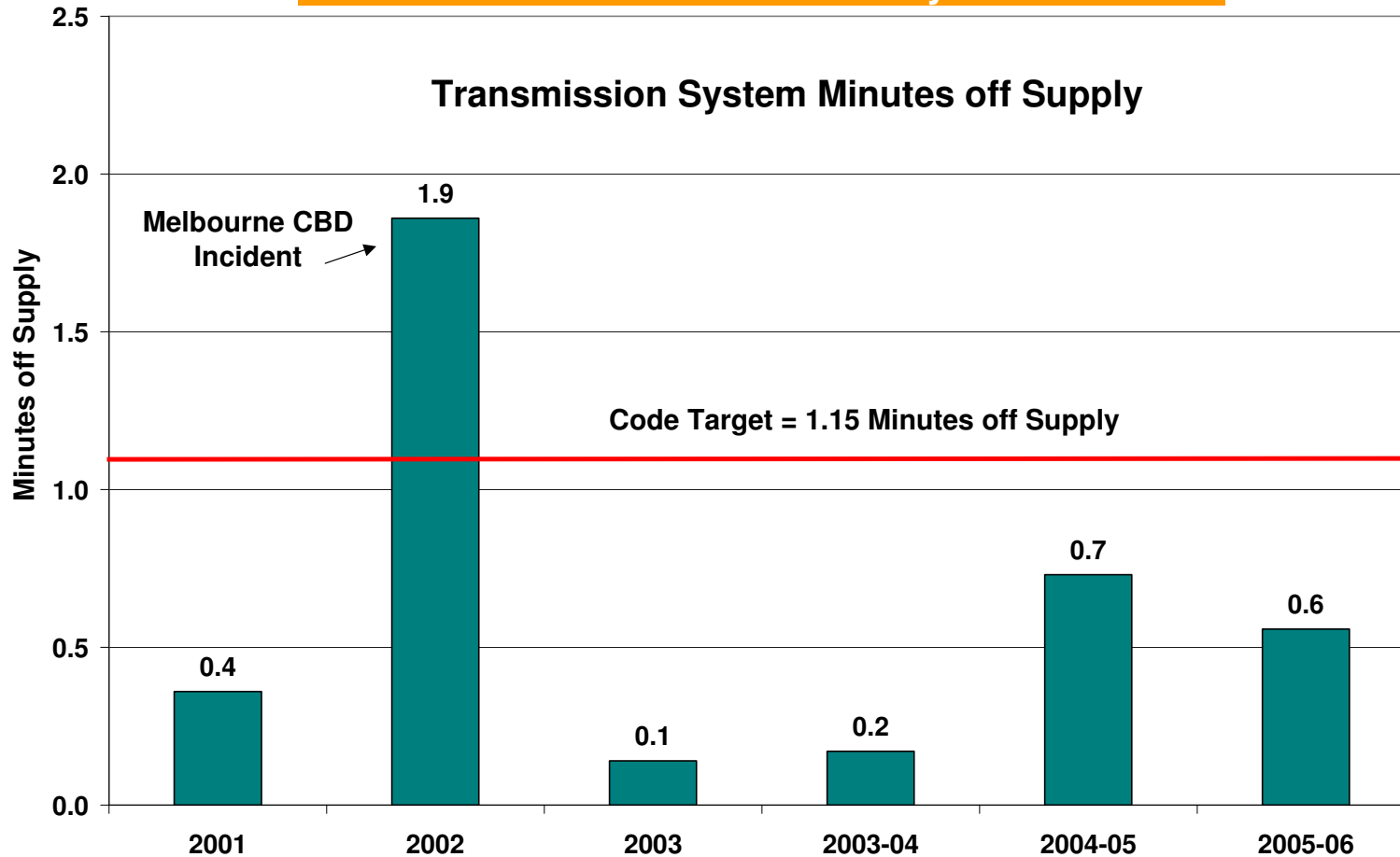
Operational Performance

Nino Ficca, Managing Director

Operational Performance - Transmission



Transmission Network Reliability Performance

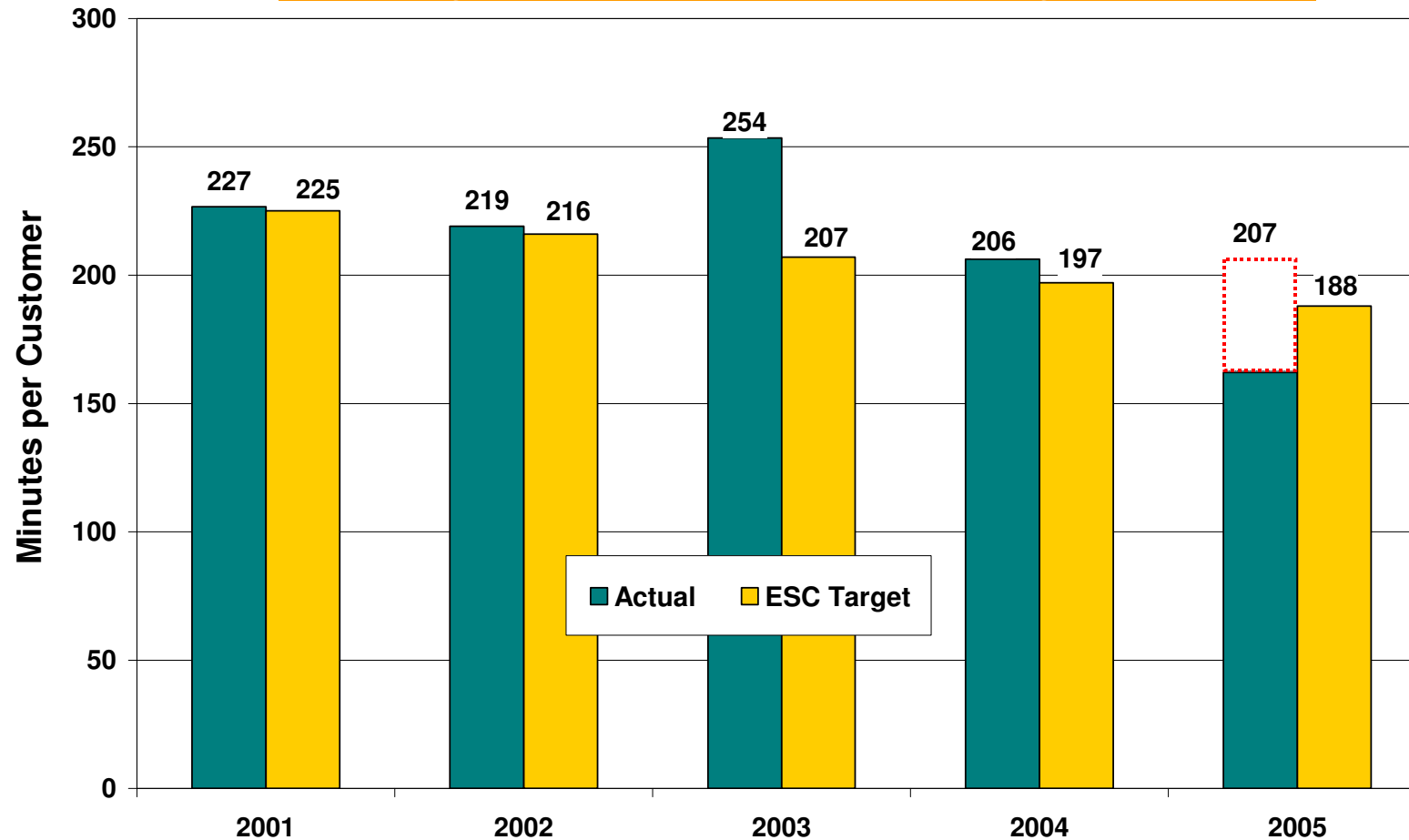


Transmission network continues to outperform with a high level of reliability

Operational Performance – Electricity Distribution



Electricity Distribution Network Reliability Performance

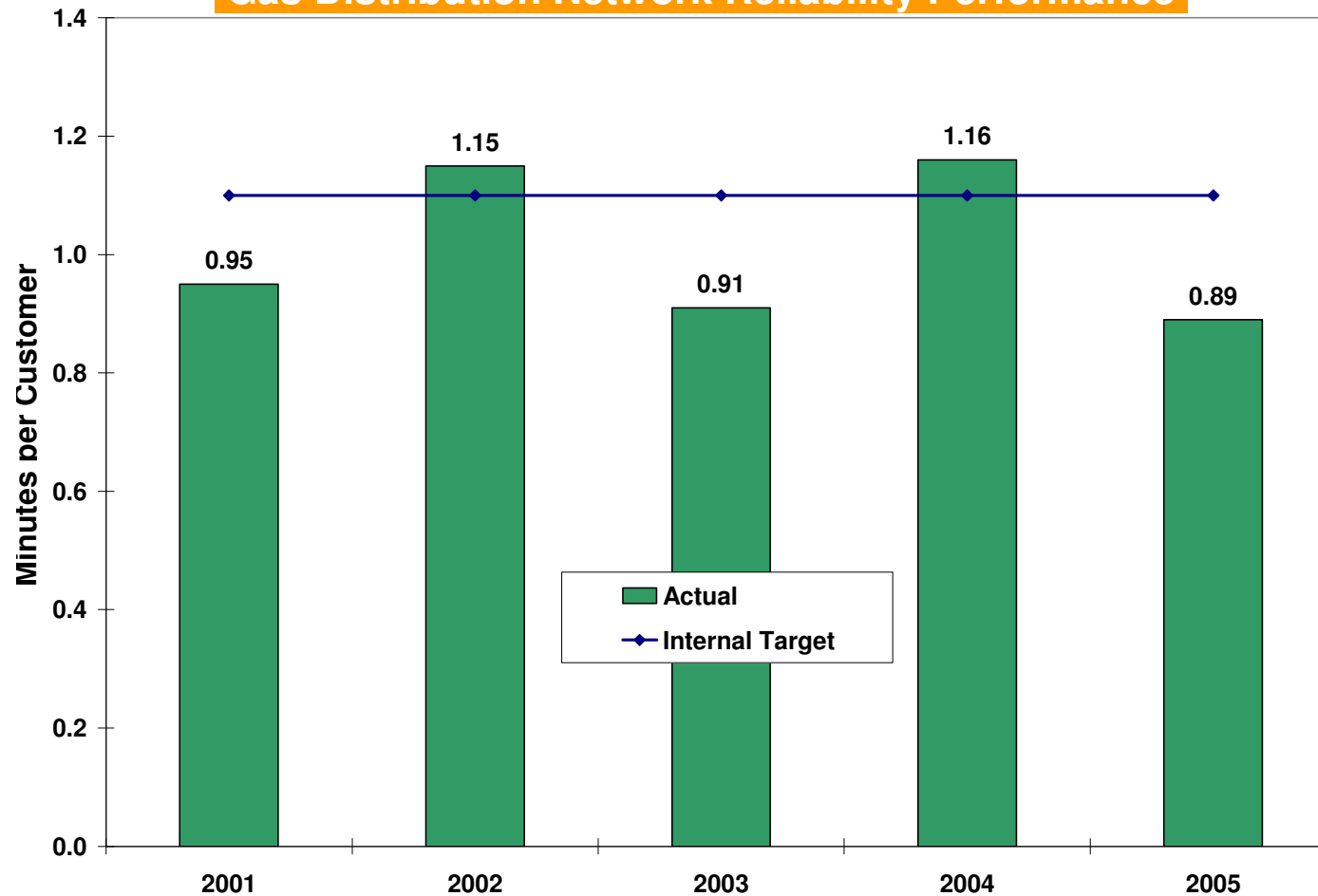


Average minutes off supply per customer for calendar year 2005 was 162.1 minutes which was below the ESC target of 188 minutes

Operational Performance – Gas Distribution



Gas Distribution Network Reliability Performance



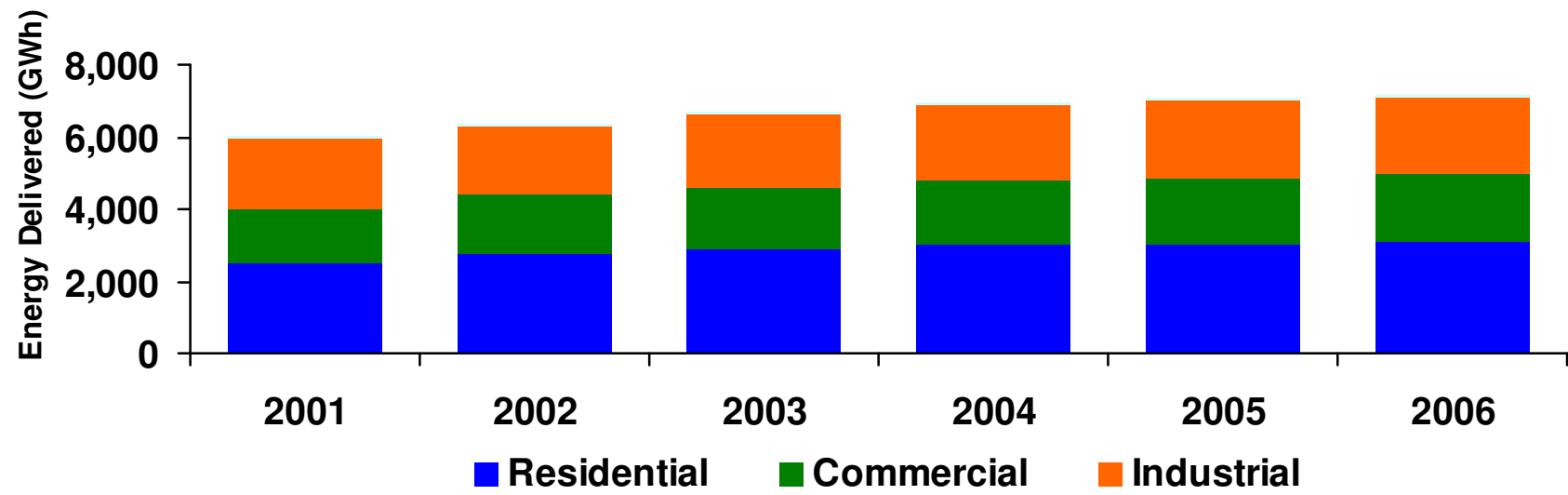
Average minutes off supply per customer for calendar year 2005 was 0.89 minutes off supply per customer, well below the internal target of 1.1 minutes

Operational Performance – Electricity Distribution Network Growth



Electricity Distribution Network Energy Delivered (GWh)

Connections (‘000s)	525	538	552	562	571	580
Energy delivered (GWh)	6,006	6,329	6,696	6,983	7,057	7,179



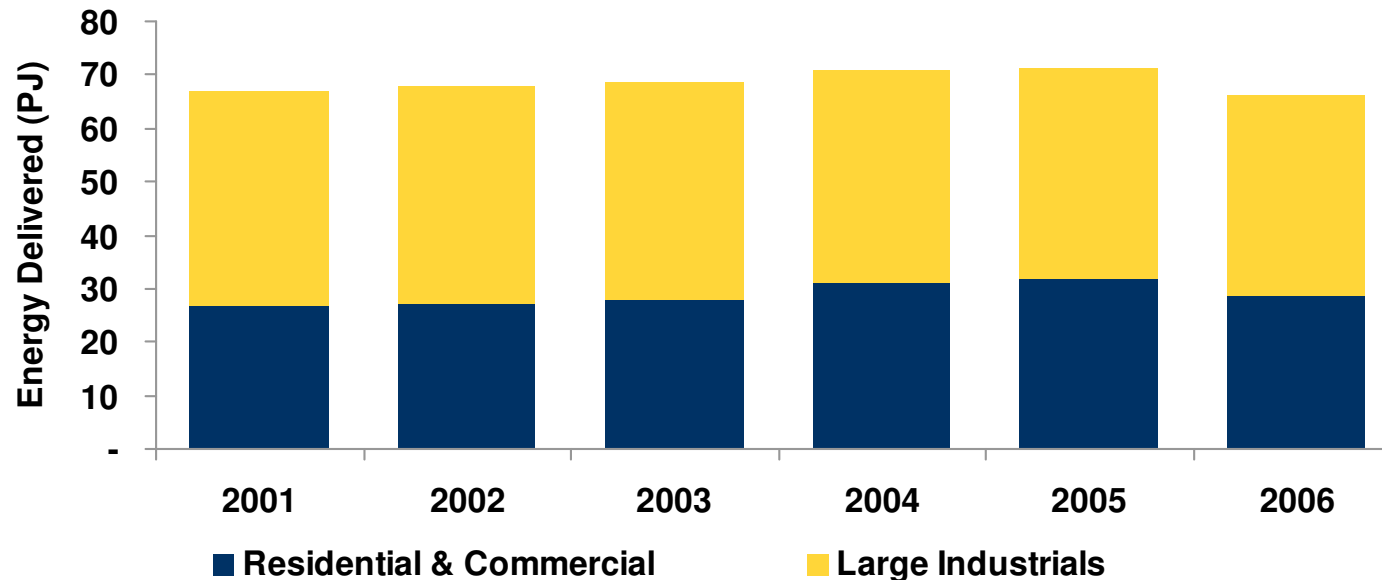
High rates of connections experienced in Victorian growth corridors

Operational Performance – Gas Distribution Network Growth



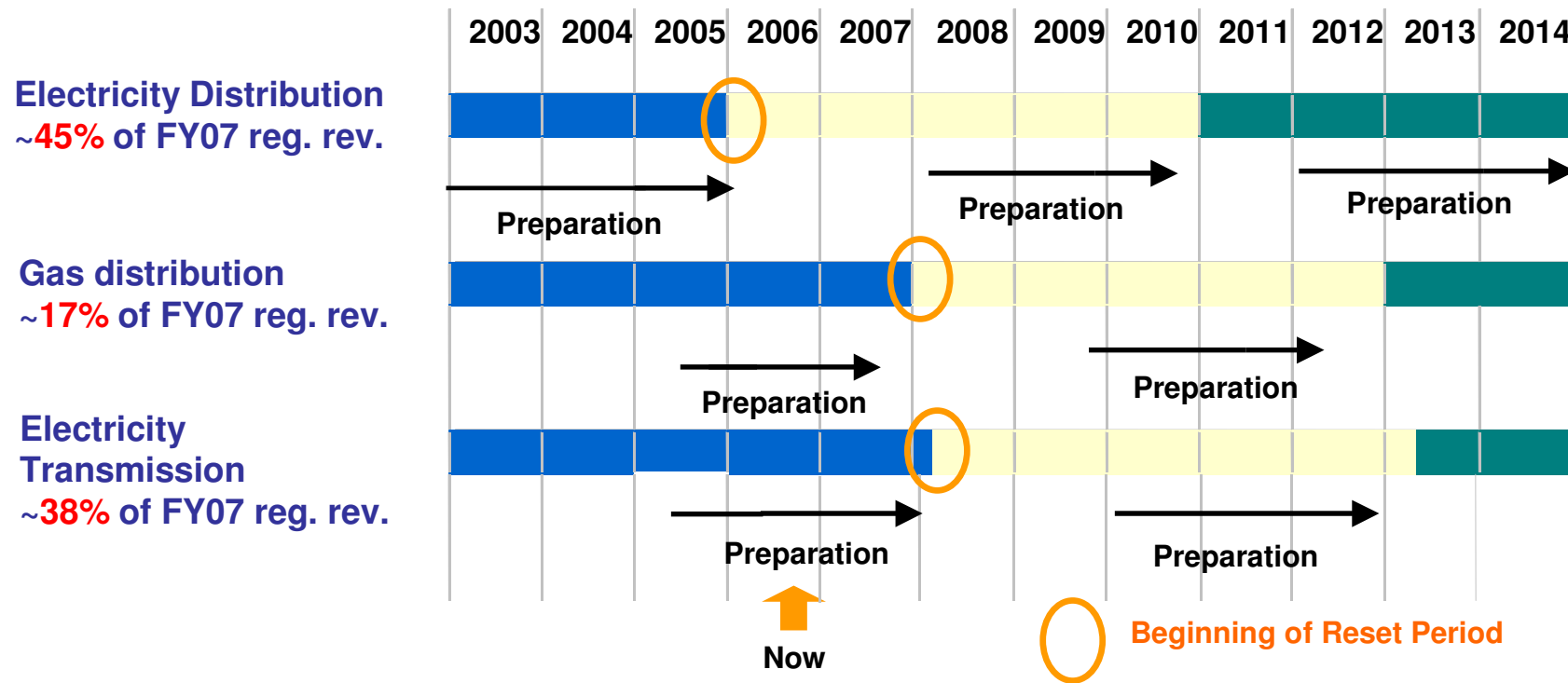
Gas Distribution Network Energy Delivered (PJ)

Connections ('000s)	444	455	469	484	498	511
Energy Delivered (PJ)	67.0	67.6	68.6	70.8	71.2	66.3



- Length of network and number of connections grew during the year
- Energy delivered was adversely affected by the warmest year on record

Staggered Regulatory Resets



- The October 2005 final decision for the EDPR resulted in a reduction of electricity distribution prices from 1 January 2006 of 9.3%
- Areas of appeal satisfactorily resolved in 1st quarter of 2006

Staggered resets lowers regulatory reset risk

Strategy and Outlook

Nino Ficca, Managing Director

Strategic Objectives



We aim to deliver energy and associated services safely, reliably, responsibly and profitably through an integrated business model to enhance the lives of our customers today and into the future

Performance

- Focus on long term asset sustainability and continuous improvement in network performance

Growth

- Grow our existing energy network businesses through their strategic location in major Victorian growth corridors

Investment

- Invest in high quality energy networks, whilst maintaining our “A” credit rating

Deliver sustainable, stable & predictable distributions to securityholders

Health & Safety

- The health & safety of employees, customers, the public & environment is the primary focus in everything we do

Long Term Asset Sustainability

- Long term asset management strategies are key to the performance of our network
- Delivering operational & capital programs aligned to these strategies will ensure improved reliability & customer service

Continuous Improvement

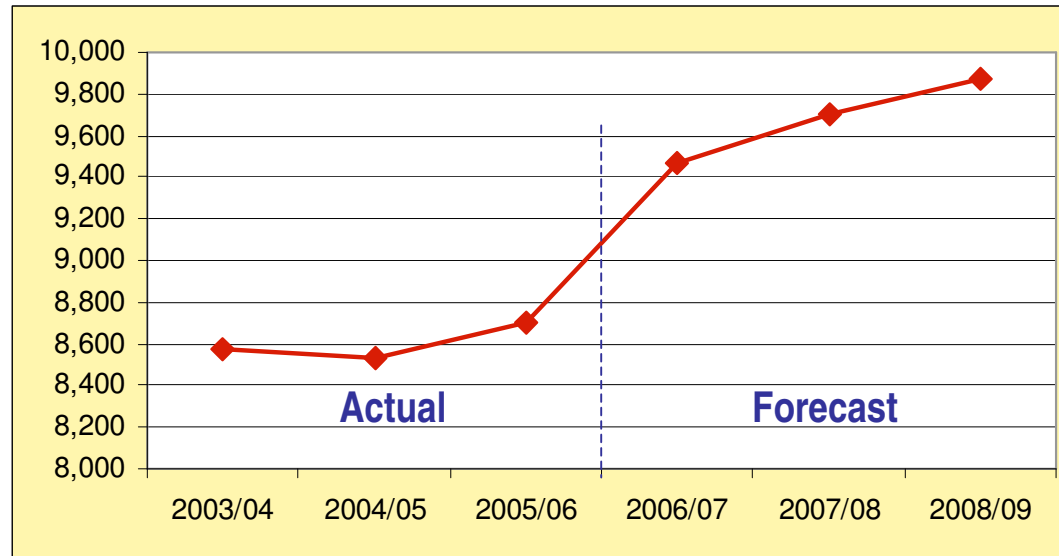
- Continuous improvement in operational efficiency and network performance, through our people, processes & culture

Well established track record of improving network performance

Growth - Transmission Business



VENCorp Forecast Maximum Summer Demand (MW)



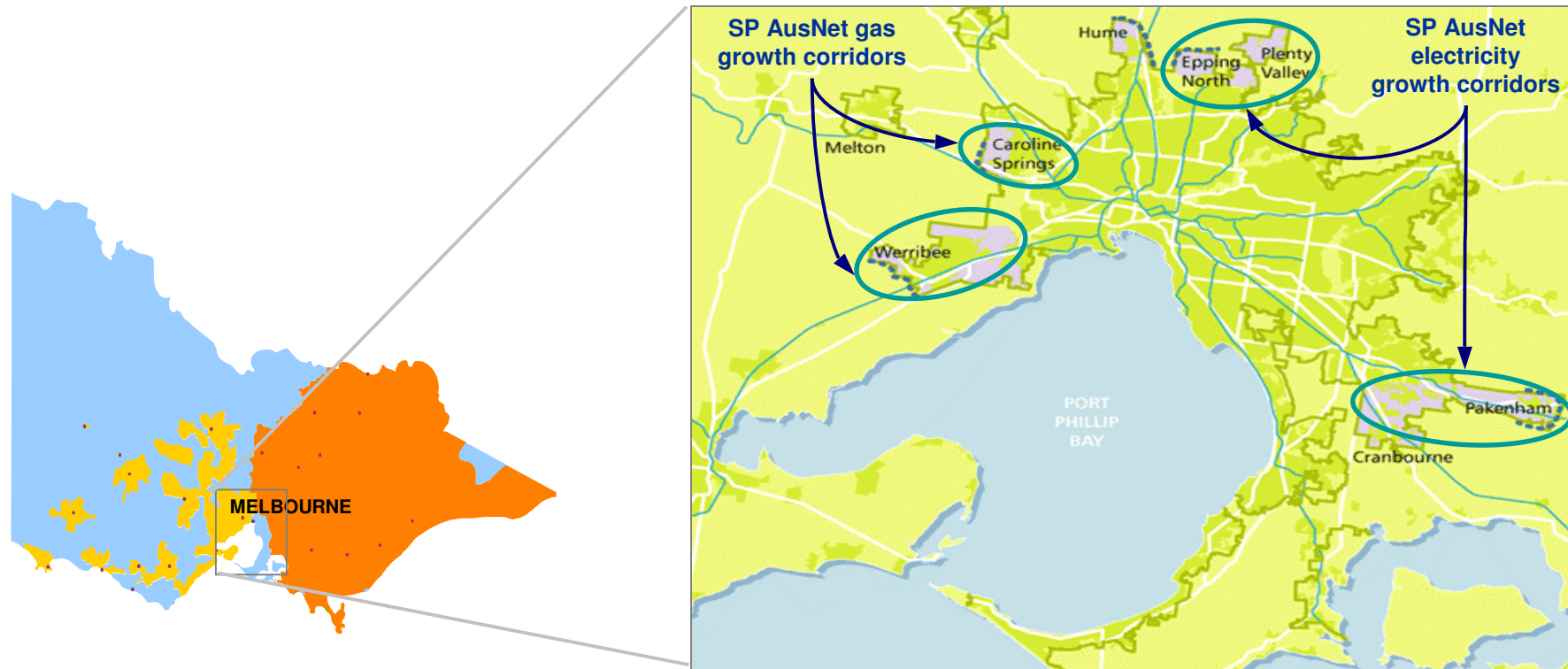
Source VENCorps Annual Planning Report Tables A9.2 & 3.7 (50% POE)

- VENCorp forecasts summer maximum electricity demand to grow by 2.5% p.a. from 2005/06 – 2009/10

- Increasing demand growth requires transmission investment
- Capital investment leads to growth in transmission assets & revenue

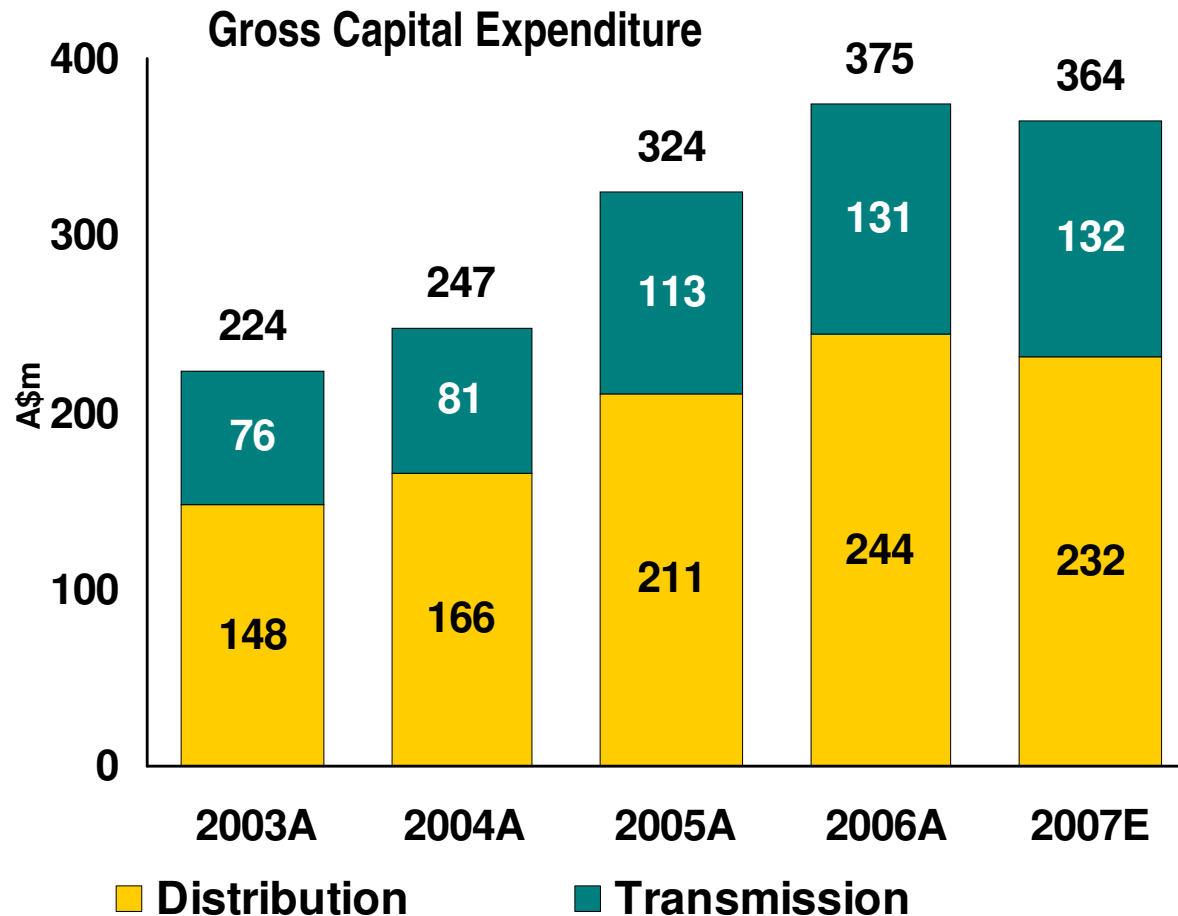
Growth in Victorian electricity demand will drive investment in both the Transmission and Distribution businesses

Growth – Distribution Businesses



SP AusNet's distribution businesses are located in Victoria's major growth corridors

Growth - Capital Investment



Capital investment leads to growth in network assets & revenue

Well Positioned

- We are well positioned to participate in future acquisition opportunities of publicly listed, privately held or government owned energy network businesses

Capability

- Demonstrated capability of identifying, acquiring and integrating businesses and driving efficiencies

Support

- Strong support of our major securityholder, Singapore Power

Disciplined approach to acquisitions aimed at delivering value for securityholders

Summary

Nino Ficca, Managing Director

Drivers of Success



High Quality Business

- High quality assets with demonstrated network performance
- Management team with average of 20 years industry experience
- Established relationship with regulators and government

Regulated Revenues

- Regulated revenues with predictable cash flows
- Diversified energy source and regulatory resets

Growth Opportunities

- Organic growth in electricity & gas demand
- Well-positioned to participate in Australia and New Zealand privatisation and M&A opportunities

Sustainable Distributions

- 8.8%* annualised yield for 2006 (68% tax deferred)
- 9.0%* forecast annualised yield for 2007 (65% tax deferred)

Shareholder Support

- Strong support of our major securityholder Singapore Power

* Based on a price of A\$1.245 per security

Questions and Answers

Nino Ficca, Managing Director
Terry Fowler, General Manager Finance

Further Information and Contacts



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- A 6,574 kilometer electricity transmission network indirectly servicing over 2.2 million electricity consumers across Victoria;
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- A gas distribution network delivering gas to approximately 510,990 customer supply points in an area of more than 60,000 square kilometers in central and western Victoria.

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Further information is on SP AusNet's website: www.sp-ausnet.com.au

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